

CITY OF HUNTINGTON PARK

Community Development Department
Oversight Board for the Successor Agency to the Community Development
Commission of the City of Huntington Park
Agenda Report

February 20, 2013

Honorable Chair and Members of the Oversight Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Oversight Board for the Successor Agency to the
Community Development Commission of the City of Huntington Park:

AGREEMENT WITH COLANTUONO & LEVIN, P.C. TO PROVIDE LEGAL COUNSEL SERVICES TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Approve an Agreement to retain Colantuono & Levin, P. C. to provide legal services to the Oversight Board;
2. Authorize the Chairperson of the Oversight Board for the Successor Agency to the Community Development Commission of the City of Huntington Park to execute the Agreement

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 16, 2013 the Oversight Board selected Colantuono & Levin, P.C. to provide legal advice and representation to the Oversight Board in matters related to the dissolution of the former Community Development Commission of the City of Huntington Park. The Agreement has been reviewed and approved by the City Attorney and Successor Agency counsel and is to be executed by the Successor Agency and Oversight Board.

Under the Agreement the Successor Agency agrees to be responsible for payment of legal services provided to the Oversight Board. The agreement also requires the City to waive any conflict of interest arising from the firm's current representation of the City of Huntington Park in the *Sipple v. Alameda* lawsuit and in its representation as General Counsel to the Oversight Board. The lawsuit involves all cities and counties in California that impose utility user taxes and have a common interest in defeating or minimizing refund claims.

On June 7, 2012, the Oversight Board directed Successor Agency staff to issue a Request For Qualifications (RFQ) for legal counsel services for the Oversight Board and on June 12, 2012, the RFQ was issued to 13 law firms. The RFQ requested that the proposals their qualifications and expertise in the California redevelopment law, including the dissolution of redevelopment pursuant to AB X1 26 and SB 1484, resumes of designated attorneys, professional references and an hourly rate schedule. A copy of the RFQ is attached to this report.

On or before the deadline of June 21, 2012, staff received proposals from:

1. Renne Sloan Holtzman Sakai LLP
2. Green, de Bortnowsky & Quintanilla, LLP
3. Colantuono & Levin, PC

On January 9, 2013, the Oversight Board interviewed Colantuono & Levin, P.C., and Green de Bortnowskly & Quintanilla, LLP on January 16, 2013. Renne Sloan Holtzman Sakai LLP later withdrew their proposal and therefore was not interviewed. The Oversight Board subsequently selected attorney Teresa L. Highsmith with Colantuono & Levin, P.C. to serve as their legal counsel.

FISCAL IMPACT/FINANCING

Legal fees will be paid from Successor Agency's Redevelopment Property Tax Trust Fund account. It is anticipated that the monthly needs for legal services will not exceed 10 hours per month (or \$2,250 per month). This equates to \$13,500 for a six month period. The Huntington Park Successor Agency has allocated \$16,000 for Oversight Board legal fees in the administrative budget of the Recognized Obligation Payment Schedules (January 1, 2013 – June 30, 2013), which was approved by the Department of Finance on December 18, 2012.

The hourly rates proposed by Colantuono & Levin, PC are as follows:

- 1) Hourly rate is \$225 per hour
- 2) Litigation rate is \$325 per hour

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Redevelopment Dissolution Act, AB x1 26 requires that each Successor Agency have an Oversight Board to oversee its actions to wind down activities of the Successor Agency. Although, AB x1 26 did not make any provisions for hiring legal counsel for Oversight Boards, the County Auditor Controller indicated in a memorandum dated May 3, 2012, that Oversight Board legal counsel fees should be listed as part of Successor Agency administrative allowance. This was later amended by the dissolution trailer bill, AB 1484, Section 34177.3 (b) which allows Successor Agencies to include contractual obligations for legal counsel outside their administrative budgets. Therefore, the Successor Agency will include legal fees for the Oversight Board as a separate budget line item in future Recognized Obligation Payment Schedules.

CONTRACTING PROCESS

Staff identified 13 law firms that specialize in redevelopment law, real estate transaction and the legislation related to the dissolution of redevelopment. The list of potential law firms was compiled from lists developed by other Successor Agencies (see attached list). Staff sent the RFQ to each of the law firms via e-mail and postal service. The RFQ was issued on June 12, 2012 with a due date of June 21, 2012 at 12:00 p.m.

IMPACT ON CURRENT SERVICES

None.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS

None.

CONCLUSION

Staff recommends the Oversight Board:

1. Approve the attached Agreement to retain Colantuono & Levin, P.C. to provide legal services to the Oversight Board;
2. Authorize the Chairperson of the Oversight Board for the Successor Agency to the Community Development Commission of the City of Huntington Park to execute the Agreement

Respectfully submitted,



RENÉ BOBADILLA, P.E.
City Manager



JULIO MORALES
Finance Director

Attachments:

- A. Letter Fee Agreement
- B. Request for Qualifications for Legal Services
- C. List of Legal Firms

Teresa L. Highsmith
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(213) 542-5703

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300 So. Grand Avenue, Ste. 2700
Los Angeles, CA 90071-3137
Main: (213) 542-5700
FAX: (213) 542-5710
WWW.CLLAW.US

January 28, 2012

Oversight Board to the Huntington Park
Community Development Commission
Successor Agency
Attention: Chairperson Elba Guerrero

Successor Agency to the former
Huntington Park
Community Development Commission
Attention: Renee Bobadilla,
Executive Director

c/o City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255
Attention: Renee Bobadilla,
City Manager

Re: Fee Agreement to Provide General Counsel Services to Oversight Board to
Huntington Park CDC Successor Agency

Dear Chairperson Guerrero and Members of the Oversight Board:

It was a pleasure to meet you and other members of the Oversight Board to the Huntington Park Community Development Commission Successor Agency ("you" or "Oversight Board") on January 9, 2013, and I am delighted to have been chosen to represent the Oversight Board. I write to propose a form of letter fee agreement for our firm to assist the Oversight Board as your General Counsel in all matters pertaining to the responsibilities of the Oversight Board pursuant to AB 1X 26 and AB 1484. Colantuono & Levin, P.C. ("the firm") and all of its professionals are very pleased to have the opportunity to assist the Oversight Board in this way. This letter sets forth the basis upon which we will provide you legal services and bill you for services and costs. Because AB 1X 26/AB 1484 requires that all administrative costs of the Oversight Board, including costs for its direct legal representation, are the responsibility of the Successor Agency to the former Huntington Park CDC, this fee agreement is made with both the Successor Agency (as the party responsible for the payment) and the Oversight Board as our

client, subject to the disclosures and consent required by Rule 3-310(C) and (F) of the Rules of Professional Conduct (explained below). If it is acceptable, please have it executed on of both the Successor Agency and the Oversight Board and return it to me. If you have questions or concerns about this form of agreement, please call me at the direct-dial number listed above.

The firm maintains a conflict of interest index which lists all clients of our firm and matters in which we represent them. We will not represent any party with an interest that may be adverse to an indexed person without first determining if a professional conflict of interest would arise. We propose to index the following names with respect to this matter:

Client-affiliated parties:	Oversight Board to the Huntington Park CDC Successor Agency Los Angeles County Los Angeles County Unified School District California Community College (Los Angeles Community College District) Los Angeles County Fire Protection District City of Huntington Park
Adverse parties:	Successor Agency to the Huntington Park Community Development Commission Huntington Park Community Development Commission

We have listed the Successor Agency to the Huntington Park Community Development Commission, as an adverse party because the Oversight Board has approval authority over the Successor Agency's Recognized Obligation Payment Schedule and disposal of other former CDC assets, which may impact CDC funding and former CDC asset retention. Please let me know if there are other parties with an interest this issue that we should list, such as parties who may have an interest in receipt of CDC funding. Unless we hear from you to the contrary, we will assume that the above listing is accurate and complete.

We have reviewed our files and our conflicts index and have no other client relationships which would interfere with our ability to represent you in this matter, except as follows: We currently represent the City of Huntington Park in *Sipple v. City of Alameda, et.al.*, a dispute involving all cities and counties in California that impose utility users taxes. Our firm represents about 40 such cities, including Huntington Park. Los Angeles County is also party to the case, but we do not represent it. All cities and counties in California that tax telephony have a common interest in defeating or minimizing the refund claims at issue in this case. The legal issues before the Oversight Board are entirely unrelated to the work we have done for the City of Huntington Park and the other public entity clients in the *Sipple* case.

Under Rule 3-310(C) of the Rules of Professional Conduct, we cannot represent the Oversight Board in this matter and also represent the City of Huntington Park in the *Sipple* lawsuit because the City and the Oversight Board have different legal interests with respect to

the wind-up of the former CDC. Accordingly, we require the informed written consent of both the Oversight Board and the City of Huntington Park to represent each of them in separate matters.

Specifically, Rule 3-310(C)(3) provides:

A member shall not, without the informed written consent of each client:

Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

In addition, because AB 1X 26/AB 1484 requires the administrative costs of the Oversight Board to be paid by the Successor Agency and the Successor Agency is to pay our bills directly, our obligations under Rule 3-310(F) will be implicated. That rule states:

A member shall not accept compensation for representing a client from one other than the client unless:

(1) There is no interference with the member's independence of professional judgment or with the client-lawyer relationship; and

(2) Information relating to representation of the client is protected as required by Business and Professions Code section 6068, subdivision (e)....

We see no difficulty in complying with this rule, as our work will be for the Oversight Board, we will take our direction from the Oversight Board and preserve its secrets, and will not view the Successor Agency to the former Huntington Park CDC as our client for this representation.

By signing where indicated below, the Oversight Board agrees: (i) to retain us to represent it as provided in this letter, (ii) to waive the conflict of interest arising from our representation of the City of Huntington Park in the *Sipple* lawsuit, and (ii) to our acceptance of payment from the Successor Agency to the former Huntington Park CDC. The Oversight Board should consider the pros and cons of granting this request. The pros include access to our representation as your General Counsel regarding all your obligations and authority pursuant to AB 1X 26/AB 1484 and any amendments. The cons include the perception that we may have divided loyalties. We believe we can effectively represent you in this matter while continuing to represent the City of Huntington Park in the *Sipple* lawsuit. This, however, is a judgment the Oversight Board must make for itself. You should consult independent counsel, including counsel for your appointing agencies, if you feel the need for legal advice on this point. If we can provide further information to assist your consideration of this request, please let me know.

Although we anticipate that your monthly needs for legal services will not exceed 10 hours per month, the nature of the matter makes it impossible for us to guarantee the total fees that may be incurred on this matter, although we will make every effort to represent you as

efficiently as possible. You will receive monthly statements informing you of the fees and costs incurred during the prior month.

I will have primary responsibility for your representation, and the firm will use other attorneys and legal assistants in the best exercise of our professional judgment. If at any time you have questions, concerns or criticisms, please let me know. Naturally, we expect you to keep us reasonably informed of significant developments in matters relating to this representation.

We review all statements before they are issued to ensure that the amount charged is appropriate. The statement for fees is simply the product of the hours worked multiplied by the hourly rates for the attorneys and legal assistants who did the work. We bill in increments of 1/10 of an hour.

Our hourly rates are based upon the experience, reputation and ability of the professional performing the services and for 2013 range between \$175 and \$425 per hour for attorneys' time, and between \$110 and \$145 for the time of paralegals and legal assistants. However, we will agree to represent the Oversight Board at **\$225 per hour for the transactional (non-litigation) services of any of our attorneys.** We will not charge you travel time to attend meetings of the Oversight Board. In the unlikely event that the Oversight Board becomes involved in litigation, we agree to provide **litigation services at our standard rates which we will cap at \$325 hour,** as a professional courtesy to you. Our rate structure in general and the rates of particular lawyers may be increased from time to time, and are usually adjusted as of the beginning of each calendar year.

It may be necessary to bill you for items such as, but not limited to, authorized travel, long-distance telephone calls, authorized mileage at the IRS rate, filing fees, photocopying, word processing, secretarial overtime, computerized legal research and the like. These items are separately itemized on our statement as "disbursements." These amounts will be billed in addition to our professional fees.

We will send you monthly statements, and expect payment within 30 days of the billing date. If payment is not received within 45 days of the billing date, we reserve the right to charge interest on the unpaid balance at the rate of one percent per month and to terminate our representation.

We rarely have disputes with clients over our fees. Nevertheless, you should be aware that you are entitled to require that any fee dispute be resolved by binding arbitration in Los Angeles County pursuant to the arbitration rules for legal fee disputes of the Los Angeles County Bar Association. We agree that all disputes between us regarding the services rendered or fees charged not resolved via County Bar fee arbitration will be submitted to binding arbitration in Los Angeles to be conducted by JAMS in accordance with its commercial arbitration rules. **YOU SHOULD REVIEW THIS PARAGRAPH CAREFULLY AND, IF YOU WISH, SEEK INDEPENDENT LEGAL COUNSEL REGARDING IT, AS YOU AND WE ARE AGREEING TO FOREGO SIGNIFICANT RIGHTS IN THE EVENT OF A DISPUTE BETWEEN US, INCLUDING THE RIGHT TO A JURY TRIAL.**

You have the right to terminate our representation at any time. We have the same right, subject to an obligation to give you reasonable notice to arrange alternative representation. In either circumstance, you agree to secure new counsel to represent you as quickly as possible and to cooperate fully in the substitution of the new counsel as counsel of record in any litigation in which we may subsequently agree to be involved. Notwithstanding the termination of our representation, you will remain obligated to pay to us all fees and costs incurred prior thereto.

I apologize for the formality of this letter, but we are required by California law to provide this information to you in writing. We are also required to inform you that we currently carry professional liability insurance.

Please review the foregoing and, if it meets with your approval, have a copy of this letter executed on behalf of the Successor Agency to the former City of Huntington Park CDC, the City of Huntington Park (for the waiver of conflict) and the Oversight Board and returned to me by fax or email (electronic scan) and in the enclosed envelope. If you have any questions, please feel free to call me at the direct-dial number above.

We look forward to representing you. Thank you for the opportunity to do so!

Very truly yours,



Teresa L. Highsmith

TLH:tlh

Enclosures (duplicate original and return envelope)

On behalf of the Oversight Board to the Successor Agency of the former Huntington Park Community Development Commission, I hereby agree to: (i) retain Colantuono & Levin, P.C. ("the firm") to provide legal services to the Oversight Board, as client, as described above; (ii) waive the conflict of interest arising from the firm's simultaneous representation of the City of Huntington Park in the *Sipple v. City of Alameda, et.al* lawsuit and the Oversight Board as General Counsel, and (iii) consent to the firm's acceptance of payment from the Successor Agency of the former Huntington Park CDC.

By: _____ Date: _____
Elba Guerrero
Title: Chair, Oversight Board to the Successor Agency of the Huntington Park CDC

On behalf of the City of Huntington Park, I hereby agree to the simultaneous representation by Colantuono & Levin, P.C. ("the firm") of the Oversight Board as described above and the City of Huntington Park in the *Sipple* lawsuit.

By: _____ Date: _____
Renee Bobadilla
Title: City Manager, City of Huntington Park

On behalf of the City of Huntington Park Successor Agency of the former Huntington Park Community Development Commission, I hereby agree to: (i) the retention of the firm by the Oversight Board to the Successor Agency of the former Huntington Park Community Development Commission, and (ii) that the Successor Agency of the former Huntington Park Community Development Commission will be responsible for the payment of such services but will not be a client of the firm with respect to the services provided to the Oversight Board.

By: _____ Date: _____
Renee Bobadilla
Title: Executive Director of Huntington Park Successor Agency to former Huntington Park Community Development Commission

**Request for Qualifications (RFQ)
For Legal Services
for the Oversight Board to the Successor Agency
to the former Redevelopment Agency of the City of Huntington Park**

Under the AB X1 26 (Chapter 5, Statutes of 2011), an Oversight Board ("Board") was established to oversee the actions of the Successor Agency for the dissolved Redevelopment Agency of the City of Huntington Park. The Board is seeking the services of a professional law firm or an experienced sole practitioner to serve as Legal Counsel to the Board to provide oversight of Board operations, lending practices for development projects and other corporation services and activities.

The term of the engagement would be for Fiscal Year 2012-2013, and the contract may be extended from year to year until the Board completes its work and is dissolved or is merged with the other oversight boards in Los Angeles County in 2016, as required under AB X1 26. Either party could terminate the engagement with forty-five (45) days prior written notice.

Interested firms or individuals should be versed in California Redevelopment Law and AB X1 26, and have experience advising public bodies on the Brown Act, Political Reform Act and the Public Records Act. The firm or individual should also have experience with public contracting, public finance (bonds), and redevelopment-funded development projects and activities, as well as experience with real estate transactions including financing and disposition of properties.

The selected Legal Counsel would advise the Board and would be expected to work closely with counsel from the various taxing entities with appointments to the Board or who receive property tax revenues. Due to conflicts of interest, the Legal Counsel and its firm could not be in an adversary position with the agencies that appointed the Oversight Board members, nor could it represent private developers under existing contracts with the prior dissolved Redevelopment Agency of the City of Huntington Park for redevelopment projects which have not yet been completed.

The Board Rules of Procedure provide that the Legal counsel may not be employed by: (i) the Huntington Park Successor Agency; (ii) any of the entities with appointments to the Board; (iii) any of the affected taxing entities which may receive funding pursuant to AB X1 26. Any law firm or individual currently under contract with the agencies that appointed the Oversight Board members and the other taxing entities may apply, but it is desirable that the Legal Counsel be independent from such agencies. For firms or individuals that represent agencies in litigation matters only, it is anticipated that the applicable entity would provide an express waiver of any conflict to allow the Oversight Board to select such firm or individual.

The Oversight Board members are as follows:

1. Elba Guerrero, Vice Mayor of the City of Huntington Park, appointed by Mayor of City of Huntington Park (Chair)
2. Yolanda Duarte, appointed by Consolidated Fire Protection District (Vice-Chair)
3. Teresa Villegas, Senior Legislative Deputy, appointed by the LA County
4. Albert Fontanez, Senior Planner, appointed by Mayor of Huntington Park
5. Eduardo Adame, Caseworker/Field Assistance, appointed by the LA County
6. Luis Buendia, Interim Controller, appointed by the Los Angeles Unified School District
7. Richard Verches, appointed by the Chancellor California Community College

Scope of Services:

The scope of services of the Legal Counsel would include, on an as needed basis, but is not limited to the following:

- Advise the Board on legal authority and liability for actions taken in the ordinary course of business
- Provide general and specialized legal representation
- Advise the Board on actions necessary to protect the Board members from personal liability and protect the assets of the dissolved agency from liability and attachment
- Review and advise the Board on the recommendations from City/Successor Agency staff regarding contracting issues
- Review and advise the Board on recommendations from City/Successor Agency on refinancing matters, overseeing completion of redevelopment projects, and disposition of property and other assets
- Provide advice on legislative matters which may affect the Board (exclusive of lobbying)
- Represent the Board in connection with any inquiry, investigation, audit or other proceedings of state regulatory agencies
- Represent the Board in any litigation brought by or against or otherwise involving the Board, or assist the Board in contracting for specialized litigation counsel and overseeing outside counsel's work.
- Attend Oversight Board meetings, as requested.
- Engage in any other legal matter reasonably requested by the Board

Experience and Qualifications:

The Legal Counsel should have knowledge and experience in the following areas of law: California Redevelopment Law, AB X1 26, Brown Act, Political Reform Act, Public Records Act, contracts, property development and disposition, contaminated soil remediation and bond financing and lending. Knowledge and experience in the other areas of public law would also be desirable and may be considered.

Submittal Content:

1. The Proposal shall not exceed 3 pages plus a one-page cover letter. The cover letter shall identify the name and contact information of the proposed lead attorney and a statement that the person signing the letter is authorized to commit the firm.
2. Description of the qualifications and experience of the proposed lead attorney and any associate(s) to be assigned to work for the Board in the areas of law listed above.
3. Three client references: name and contact information of the client and description of work.
4. List of current hourly rates for each attorney and support staff proposed to be assigned to work for the Board. Also please provide an alternative compensation structure that would provide for monthly "not to exceed amount".

Submittal Procedures:

Please submit your proposal no later than June 21, 2012 by 12:00 P.M. Noon by email to:

Macosta@huntingtonpark.org and by hard copy to:

Jack L. Wong
Interim Community Development Director
City of Huntington Park
Successor Agency
6550 Miles Avenue
Huntington Park, CA 90255

The Board reserves the right to reject any and all submittals and to waive minor inconsistencies. The cost of preparing responses to the Request for Qualification shall be done by the respondents and will not be reimbursed by the Board.

Law Firm Name	Address	Contact Person	Phone Number	E-mail Address	FAX Number
Colantuono & Levin, PC	300 So. Grand Avenue, Ste 2700 Los Angeles, CA 90071-3137	Teresa L. Hightsmith	(213) 542-5703	THightsmith@CLLAW.US	(213) 542-5710
Scott H. Howard	1267 Norwich Lane Ventura, CA 93001	Scott H. Howard	(818) 618-8877 (805) 653-0844		
Goldfarb Lipman Attorneys	523 W. Sixth Street, Suite 1220 Pacific Center Los Angeles, CA 90014	J. Collins	(213) 627-6336	jcollins@goldfarblipman.com	510 836-1035
Stadling Yocca Carlson & Rauth	100 Wilshire Boulevard, Suite 440 Santa Monica, CA 90401	Allison Burns	(949) 725-4187	aburns@svcr.com	1 (424) 214-7010
Kane, Ballmer & Berkman	515 S. Figueroa Street, Suite 1850 Los Angeles, CA 90071	Murray O. Kane	(213) 617-0480	mkane@kbbllaw.com	(213) 625-0931
Pierce Law Firm	1440 N. Harbor Blvd., Suite 900 Fullerton, CA 92835	Bradley D. Pierce, Esq.	(714) 449-3333	BPierce@piercelaw.com	(714) 449-3337
Green, de Bortnowsky & Quintanilla, LLP	23801 Calabasas Rd., Suite 1015 Calabasas, CA 91302-1595	Charles R. Green	(818) 704-0195	cgreen@gddlqaw.com	(818) 704-4729
Renne Sloan Holtzman Sakai	350 Sansome St., Suite 300, San Francisco, CA 94104		(415) 678-3800	info@publiclawgroup.com	(415) 678-3838
Stein & Lubin LLP	The Transamerican Pyramid Montgomery Street, 14th Floor San Francisco, CA 94111	Laurie N. Gustafson Paula Crow	(415) 981-0550	lgustafson@steinlubin.com pcrow@steinlubin.com	(415) 9814343
Robert Herrick	13052 Gershwin Way Valley, Ca 92555	Robert Herrick	(951) 807-1711		
Lewis Brishois Bisgaard & Smith LLP	650 E. Hospitality Lane, Suite 600 San Bernardino, CA 92408	Elizabeth Martyn	(909) 386-3039	martyn@LBBSLaw.com	
Gresham Savage	San Bernardino Office	Kevin Randolph	(909) 890-4499	kevin.randolph@greshamsavage.com	
Meyers Nave	633 W. 5th Street, Suite 1700 Los Angeles, CA 90071	Deborah J. Fox, Principal Shannon Daggett, Marketing	(213) 626-2906	dfox@meyersnave.com sdaggett@meyersnave.com	(213) 626-0215